

ADMINISTRATION AND FINANCE COMMITTEE

DATE: August 17, 2004

CALLED TO ORDER: 5:00 p.m.

ADJOURNED: 7:02 p.m.

ATTENDANCE

Attending Members

Jackie Nytes, Chairwoman
Vernon Brown
Becky Langsford
Lynn McWhirter
Lincoln Plowman
Joanne Sanders
Steve Talley

Absent Members

AGENDA

Budget Hearing

Overview – County Auditor
Office of County Auditor
County Administrator and County Commissioners
County Treasurer
Election Board
Voters Registration

ADMINISTRATION AND FINANCE COMMITTEE

The Administration and Finance Committee of the City-County Council met on Tuesday, August 17, 2004. Chairwoman Jackie Nytes called the meeting to order at 5:00 p.m., with the following members present: Vernon Brown, Becky Langsford, Lynn McWhirter, and Lincoln Plowman, Joanne Sanders, and Steve Talley. Representing Council staff was Kent Burrow, Chief Financial Officer.

Budget Hearing

Overview – County Auditor

Martha Womacks, County Auditor, gave an overview of the County Auditor (Exhibit A, see file). Some highlights of the presentation include:

- The County is assumed to lose \$2.2 million of property tax levy in the second half of 2004, due to property tax appeals.
- State Budget Agency has advised, that County Option Income Tax (COIT) is estimated to fall by 8% in 2005 or \$8.1 million county-wide. The County has lost \$20 million in their COIT since 2002.
- Interest earnings are projected to improve modestly due to rising interest rates.
- The bulk of the Auditor's County dollars come from property tax (49.47%). Intergovernmental revenue, 17.30%; income tax revenue, 16.80%; charges for services revenue, 9.40%; miscellaneous revenues, 3.50%; other revenues, 2%; and fund balance revenues, 1.30%.

Councillor Sanders asked for an explanation on the decline of COIT. Ms. Womacks said the COIT was \$117 million in 2003, and then it went down to \$110 million in 2004, and projected to decline to \$102 million in 2005. Certification of the COIT numbers was expected the first of August; however, no certification has been received as of this date. Councillor Sanders asked if citizens have until October 15, 2004 to file if they received an extension on their income tax. Ms. Womacks replied in the affirmative. She stated that in 2003, the County received certification of less than had been anticipated after the budget had been finalized. Councillor Sanders stated that in 2003 the County received an excess of COIT distribution. Dan Jones, Deputy Auditor, said part of the dilemma is dealing with the changes in state on COIT dollars. Councillor Sanders asked if they feel confident they have incorporated the new statute language to provide helpful projections. Mr. Jones said the State gives them the dollar amount.

Ms. Womacks continued with highlights:

- Public Safety receives 53.70% of County dollars, Administration receives 27.20%, Judiciary receives about 16.80%, and Metropolitan Development and Community Affairs receive a small amount in County dollars.
- The total Administration and Finance budget is projected to be \$65,347,262 in 2005. A large portion of their budget is Information Technology, \$27,942,591 and Financial Management, \$21,087,112.

Chairwoman Nytes asked why Information Services Agency (ISA) is included in financial management when they have information technology. Ms. Womacks said the ISA charges are within their budget and ISA's budget. It is a chargeback paid through the Auditor's Office. Mr. Jones said they have the whole amount of the ISA's budget in information technology and \$9.4 million within the Auditor's budget in financial management. Chairwoman Nytes said this is confusing, because their total budget number is not \$65,347,262. She said their total budget would be \$65 million minus \$9.4 million. Ms. Womacks replied in the affirmative and said they abstracted from each department's budget because they all have an allotment for ISA fees.

- The budget does not include salary adjustments, health care cost, and travel and conference cost (with the exception of ISA).

Chairwoman Nytes asked if the numbers from the County represent the maximum tax levy. Ms. Womacks replied in the negative. Chairwoman Nytes asked how far below the maximum levy the numbers are. Mr. Jones said about \$18 million below the maximum levy. Chairwoman Nytes asked how below they are without the excess maximum appeal items. Mr. Jones said approximately \$8 million. Chairwoman Nytes said the choices made in putting the County Auditor's budget together were made to keep them from increasing the existing tax rate. She asked if this is a choice based on recommendations as the Auditor. Ms. Womacks said this is what she considers a base-line budget. It is what the Auditor's Office feels is appropriate for the current tax rate. Chairwoman Nytes asked who makes the call on the tax rate. Ms. Womacks said it is a policy decision, and she believes it is her responsibility to show what the differences can be, but it would ultimately be the fiscal body's decision. Chairwoman Nytes asked how the fiscal body receives the information that they are \$18 million below the maximum levy. Ms. Womacks said the Auditor's Office can provide the fiscal body with the information.

Councillor Sanders asked what they will do with their overall budget without that \$9 million dollars for ISA. Mr. Jones said ISA is a separate fund and they pay into the County General Fund. The amount in the County General Fund is for their payment of \$9 million to ISA. Councillor Sanders asked if the \$9 million they pay, accounts for all agencies on the County side. Mr. Jones said the \$ 9 million is really for processing,

storage, and maintenance charges. Councillor Sanders asked for a detailed breakdown to give her a better understanding of where the money is. Mr. Jones said he can provide the committee with that information.

Office of County Auditor

Martha Womacks, County Auditor, gave an overview of the Office of County Auditor (Exhibit B, see file). Some highlights of the presentation include:

- They are responsible for unemployment claims for the County, which have decreased.
- They allocate and settle tax distributions to various units of local government.
- The office audits all the bills of the County that are submitted from County agencies.
- They effectively monitor County expenditures.
- They process deductions, deeds, and sales disclosures. It is estimated that they have paid out approximately \$13 million in property tax refunds County wide, thus far.

Chairwoman Nytes asked how many appeals the \$13 million represent. Ms. Womacks said they can run a report that will provide that information. She said County Assessor would have the numbers of those appeals that are pending.

- In their budget the major reduction was made in Character 03, Other Services and Charges, in the amount of \$2,999,124 due to the shift of medical payments for the jail to the Sheriff's budget.

Chairwoman Nytes asked if the reason for the reduction in Character 01, Personal Services is due to the 27th pay. Ms. Womacks replied in the affirmative.

Councillor McWhirter asked if the proposed 2005 budget is just for their office. Ms. Womacks replied in the affirmative and said they also pay for items that are County wide. Councillor McWhirter asked if they are taking a 14% reduction in their budget. Ms. Womacks replied in the affirmative.

Chairwoman Nytes asked if they have a Reassessment Fund. Ms. Womacks replied in the affirmative and said they have one employee still paid out of that fund. Chairwoman Nytes asked about the Auditor's Endorsement Fee Fund. Ms. Womacks said they can only use the money in this fund for property related issues. Chairwoman Nytes asked about the Local Emergency Planning and Right to Know Fund. Mr. Jones said this fund reimburses health and hospital for emergency training. Chairwoman Nytes asked what

the source of revenue is to this fund. Mr. Jones said there are fees that are collected but are not sure of the source. Chairwoman Nytes asked why Health and Hospital does not receive the money. Mr. Jones said it is State statute that requires the collection to come through the County Auditor.

Councillor Brown asked for an explanation of the transfer of funds to the Sheriff's budget. Ms. Womacks said they negotiated for a medical contract for inmates that has been in the Auditor's budget, but now they feel it is appropriate to have these funds in the Sheriff's budget, since the Sheriff is the one that distributes the money. Councillor Brown asked if their reduction would still be 14% without this shift in their budget. Ms. Womacks said this is probably true, but she is not sure what the percentage would be.

Councillor Sanders asked what the balance is in the Auditor's Endorsement Fee Fund. Ms. Womacks said about \$217,000 in the fund, but it grows daily. Mr. Jones said by the end of the year it should be \$540,000. Councillor Sanders asked for a breakdown of funds in Line Item 380, Subsidies. Ms. Womacks said she could have that breakdown available to the committee and said the increase in this line item is due to postponing a payment to Health and Hospital until 2005.

Councillor Plowman asked if the shift in funds to the Sheriff's budget is additional funds or money the Sheriff needs. Chairwoman Nytes said at first glance it may look like the Sheriff received a budget increase, but in fact, this is funds the Sheriff was responsible for managing and now is allocated through the Sheriff's budget.

Councillor Sanders asked if the decrease in the Auditor's budget is due to the shifting of dollars in fringes. Ms. Womacks replied in the affirmative and said they are learning out where these funds should be going.

Chairwoman Nytes asked if the other special budgets are going to be discussed in another presentation. Ms. Womacks said the Law Enforcement and the Surveyor's Perpetuation Fund is no longer in their budget. Mr. Jones said these special budgets are showing expenses for special revenue funds.

Chairwoman Nytes asked when the Salary Study will be discussed. Terry Nelson, Chief Deputy, Auditor's Office, said they plan to discuss the study when they receive the final report. Chairwoman Nytes said it would be helpful to have the results of the study before they act on the budgets. Ms. Womacks said the vendor has agreed to make a presentation when the committee is ready. Mr. Nelson said they should be able to receive the results before the end of August.

County Administrator

Mr. Nelson distributed Exhibit C and said the Office of County Administrator holds the money for County-wide insurance programs such as automobile, fire, property, etc.

Worker's Compensation is the biggest section of the County Administrators funds and is being reduced by \$78,642 in 2005. He said the County is changing from a fully insured risk pool to a self-funded basis for worker's compensation. In character 04, Cumulative Capital Development, Line Item 360, ISA charges, \$750,000 has been put in for bond principal for voting machines. Chairwoman Nytes asked if this is half the payment. Mr. Nelson replied in the affirmative. Chairwoman Nytes asked what budget has the other half of the payment. Mr. Jones said the other half is in the Election Board's budget. Chairwoman Nytes asked why the whole amount is not in the Clerk's budget. Mr. Jones said they were trying to find some savings in the County General Fund and this is one way to split the payment. He said by using this fund it saves County General \$750,000 in 2005. Chairwoman Nytes asked what the balance is in this fund. Mr. Jones said at the end of 2004 they projected \$325,000 and at the end of 2005 they are projecting \$152,000.

County Commissioners

Ms. Womacks said the County Commissioners consist of the County Treasurer, Assessor, and Auditor. They are responsible for the oversight of the Marion County Children's Guardian Home and Marion County Human Resource Department, sale of County-owned property, etc.

Sara Logsdon, Administrator, Department of County Personnel, gave an overview (Exhibit D, see file). Some highlights of the presentation include:

- County Human Resources provides an application process to applicants in person and via the internet.
- They are also responsible for composing and publishing weekly job postings in the Human Resource office and on the County website.
- The applicants served in the office are 1,606 year-to-date (YTD) 317 internet applications and 1,557 applicants referred to County agencies.
- A major part of their office work is to manage and audit the Marion County Job Classification System positions and all of its support data and to write new, and update County job descriptions.
- Their proposed 2005 budget major reductions are in character 01, Personal Services by \$8,451 and character 03, Other Services and Charges by \$7,804. The total reductions are \$17,755.

Chairwoman Nytes asked where County employees go with complaints. Ms. Logsdon said many times employees call her directly but she also refers them to the EEOC of the City. Chairwoman Nytes asked if there is an issue with jurisdiction. Mr. Nelson said all three EEOC offices work together on complaints if they arise. Chairwoman Nytes said her reason for asking is if the County's manual is different than the City then there may

be some confusion in policy. Mr. Nelson said ultimately they handle their own complaints but if the complaint cannot be resolved through them they are referred to the City.

Councillor McWhirter asked how long they have been coordinating the appeals process for the Trustees. Ms. Logsdon replied since the middle of 2003. Councillor McWhirter asked why City Legal is no longer handling this. Ms. Logsdon said this is something that was turned over to the County. Councillor McWhirter asked if the person that is handling these appeals is being paid. Ms. Logsdon replied in the negative. Chairwoman Nytes asked how much time is involved in handling these appeals. Mr. Nelson said it depends on the number of cases. Councillor McWhirter said it would take up to 30-45 minutes per appeal not including driving time. Chairwoman Nytes asked if there are any qualifications to do this job. Ms. Logsdon replied in the negative.

Chairwoman Nytes asked for figures on turnover for County agencies. Mr. Nelson said the overall County turnover for 2004 YTD is 16.3% compared to 18.2% in 2003.

Councillor McWhirter asked if they have increased their working hours. Ms. Logsdon replied in the negative and said they are on reduced hours because the lack of staff and funds.

Chairwoman Nytes asked if they looked at contracting with the City personnel to have them take care of applications. Ms. Logsdon said they have not looked into it.

Councillor Brown said it may be helpful if they talked with the City on their automated online application processing. Ms. Logsdon agreed.

County Treasurer

Greg Jordan, County Treasurer, said there are no requests for additional funds and they have voluntarily reduced their budget in 2003 and 2004. He said the reduction in character 01, Personal Services, means existing employees cannot be funded at the rate they are in 2005.

Chairwoman Nytes asked if the number of employees are changing. Mr. Jordan said their employees will not increase and when they do have turnover they do not hire, unless it is absolutely needed.

Councillor Sanders asked if their temporary salaries are seasonal part-time employees. Mr. Jordan replied in the affirmative. Councillor Sanders asked what period is seasonal. Mr. Jordan said it is two and half months in the spring and fall. Councillor Sanders asked if this is allocated in bonus pay. Mr. Jordan replied in the negative.

Chairwoman Nytes asked about the significant changes in ISA. Mr. Jordan said there was a particular project budgeted for 2004 for their bookkeeping system that will not be in the proposed 2005 budget.

Councillor Brown asked what the increase in Line Item 349, Maintenance/Licensing Agreement is. Mr. Jordan said it is on their cashiering equipment.

Councillor Sanders asked what type of advertising they do. Mr. Jordan said legal ads.

Mr. Jordan gave an update on information requested by the committee. He said 246 people signed-up for the payment plan in 2004. Of these 246 people, there is \$355,000 in property taxes involved. He said he welcomes the Council involvement on appeals for township assistance and they are working on trying to find funds to do this program.

Election Board

Doris Anne Sadler, County Clerk gave an overview of the Election Board (Exhibit E, see file). Some highlights of the presentation include:

- The Election Board has two special funds: the Campaign Finance Enforcement Account and the Help America Vote Act (HAVA) Reimbursement Fund.
- Most of the expenditures have decreased due to no election in 2005. In character 01, Personal Services salaries have been reduced due to the reduction in employees and those employees will be absorbed into the Clerk's Office staff.
- In character 02, Supplies, their budget is \$2,880 for toner cartridges, envelopes, labels, etc.
- In character 03, Other Services and Charges, the budget is \$975,828. Seventy-seven percent of the budget is bond expenses.

Counillor Sanders said the budget the committee members have does not match the figures provided in Exhibit E. Tony Schaffer, Chief Deputy, Clerk's Office, said this is due to the changes they made to make the proposed 2005 budget work. He said they would like to propose the budget on the last page of Exhibit E.

Chairwoman Nytes asked if the updated numbers have been passed over to the Auditor to be put into their budget software. Mr. Schaffer said they have not seen the changes. Chairwoman Nytes said they need to work with the Auditor's Office to have an agreement on their budget before September 7, 2004 review and analysis meeting.

Councillor Sanders asked if there are no expenditures proposed in 2005 under HAVA. Ms. Sadler said they are still expecting reimbursements from the State. Chairwoman

Nytes said if they receive reimbursements, they will need to be appropriated before they are spent. Ms. Sadler agreed.

Chairwoman Nytes asked why voter registration software is in their budget. Ms. Sadler said the license they use for that software is not within voter registration. The Clerk's office uses the software for a different purpose.

Voters Registration

Cathline Mullin said their major activities will be preparing for the new State-wide voter registration system. They are only budgeting for 12 full time employees since 2005 is an off election year and 2006 they will increase staff members by 2 full time employees.

Chairwoman Nytes asked if they will be able to handle the new system with the decrease in employees. Ms. Mullin said she believes they will be able to handle the situation. Chairwoman Nytes asked at what point they start eliminating names. Ms. Mullin said when people pass away, move out of the County, etc.

Councillor Sanders asked if they have someone that looks at obituaries and purge names off the list. Ms. Mullin said she is not sure anyone looks at the obituaries, but there is a purging system in place.

Chairwoman Nytes asked if their office receives a list of deaths in Marion County. Ms. Mullin replied in the negative.

Councillor Plowman asked to have the purging process explained. Ms. Mullin said if people are on the list and have not voted in several years they are taken off the list due to death, moved, etc.

Councillor McWhirter said she would think the obituaries would not be a good procedure because of people having the same name. She suggested getting a list that has names with addresses to purge the correct name.

With no further business pending, and upon motion duly made, the Administration and Finance Committee of the City-County Council was adjourned at 7:02 p.m.

Respectfully submitted,

Jackie Nytes, Chairwoman
Administration and Finance Committee

Administration and Finance Committee

August 17, 2004

Page 10

Administration and Finance Committee

August 17, 2004

Page 11